	<h2>Municipality of Crowsnest Pass Policy</h2>
<p>Policy No.: Policy Title: Approval Date: Supersedes Policy: Department:</p>	<p>1716-01 Charitable Donations Receipt June 11, 2024 None Finance</p>

1.0 POLICY PURPOSE

The Municipality of Crowsnest Pass (CNP) may issue official donation receipts that qualify as Charitable Donations in accordance with Canada Revenue Agency (CRA) guidelines. This policy outlines the standards for accepting Charitable Donations in accordance with CRA guidelines and for issuing official Charitable Donation receipts (official receipts) to donors for cash or in-kind donations, according to Sections 110.1(1)(a) and 118.1(1)(a) of the Income Tax Act.

2.0 DEFINITIONS

“**Charitable donations**” means voluntary transfer of tangible property, including cash.

“**Donations in-kind**” means tangible property, other than cash, that are eligible donations.

“**Eligible donations**” means donations that can be acknowledged with official donation receipts for income tax purposes, in accordance with CRA guidelines.

“**Fair Market Value (of Valuation)**” means the highest dollar value that a property would bring in an open and unrestricted market, between the willing buyer and the willing seller who are acting independently of each other. The fair market value of a property does not include taxes paid; taxes are costs incurred by the purchaser.

“**Net Amount of Donation**” means the fair market value of the donation less any advantage/benefit received or to be received as a result of the donation.

“**Non-Qualifying Donations**” means donations that cannot be acknowledged with official donation receipts for income tax purposes, in accordance with CRA guidelines.

3.0 POLICY STATEMENTS

3.1 Policy Guidelines

- a. If requested CNP will issue official receipts to donors for eligible donations with a net cash value or net fair market value of \$20.00 or more.
- b. To be eligible for an official donation receipt, the donation has to:
 - i. Be made payable to the Municipality of Crowsnest Pass

- ii. Be in cash or in-kind
 - iii. Be voluntary
 - iv. Be supportive of the municipality's mandate or beneficial to the community of CNP;
- c. Donations in-kind may be accepted only after the following has been assessed:
- i. Compliance with municipal by-laws and/or policies
 - ii. Compliance with the laws, conventions and treaties of the other levels of government
 - iii. Consistency with CNP's priorities, mandates and strategic business plans
 - iv. Associated risks (eg. Financial risks; political risks; health & safety issues)
 - v. Condition of the donation
 - vi. Value of the donation
 - vii. Usefulness of the donation to CNP
 - viii. Cost/benefit analysis, considering installation, storage, maintenance, renewal, replacement and relevant costs;
- d. Written valuation of donations in-kind, done within the last 6 months, shall be submitted with the requests for official receipt and is to meet the following requirements:
- i. \$2,000 or less:
 - 1. Appraisal by knowledgeable internal staff; plus
 - 2. Valuation from online auction or shopping website.
 - ii. Over \$2,000:
 - 1. External appraisal of property by an independent and arm's length competent party is required, unless there is a ready market for the item from which a fair market value can be determined;
 - 2. For land and improvements, current market values will be accepted by the CNP Assessor or a certified Appraiser.
- e. Non-qualifying donations that cannot be acknowledged with official donation receipts for income tax purposes, in accordance with CRA guidelines:
- i. Intangibles such as services, time, skills, effort
 - ii. Donations that are given to CNP intended as a flow through to a specified recipient who does not have charitable organization status
 - iii. Donations of business marketing products such as supplies and merchandise
 - iv. Sponsorship in the form of cash, goods or services toward an event, project, program or corporate asset, in return for commercial benefit (i.e. logo placement or presenting sponsorship). The intent of a sponsorship is to enhance the image and marketing opportunities of the sponsor in its target market and/or the community. Sponsorships are a reciprocal arrangement benefiting

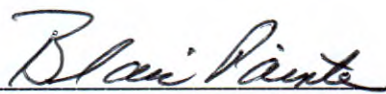
both parties. Usually the cost to the sponsor is categorized as a business expense.

- f. This policy applies to all departments within the CNP, agreements between the CNP and organizations and individuals that contribute either financially or in-kind to the Municipality's operations, programs, services or facilities.

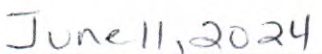
3.2 Responsibilities

- a. Municipal Council to:
 - i. Approve by resolution this policy and any amendments.
 - ii. Consider the acceptance or denial of donations in-kind with appraised value of:
 - 1. All appraised values – Council approved.
- b. Chief Administrative Officer to:
 - i. Implement this policy and approve procedures.
 - ii. Ensure policy and procedure reviews occur and verify the implementation of policies and procedures.
 - iii. Sign official donation receipts on behalf of CNP.
- c. Director of the Department to:
 - i. Ensure implementation of this policy and procedure.
 - ii. Ensure that this policy and procedure is reviewed every three years.
 - iii. Make recommendations to the Chief Administrative Officer of necessary policy or procedure amendments.
 - iv. Issue official donation receipts in compliance with CRA guidelines and maintain records according to CRA requirements.
 - v. Sign official donation receipts as backup for Chief Administrative Officer.


MUNICIPALITY OF CROWSNEST PASS




Mayor



Date



Chief Administrative Officer



Date